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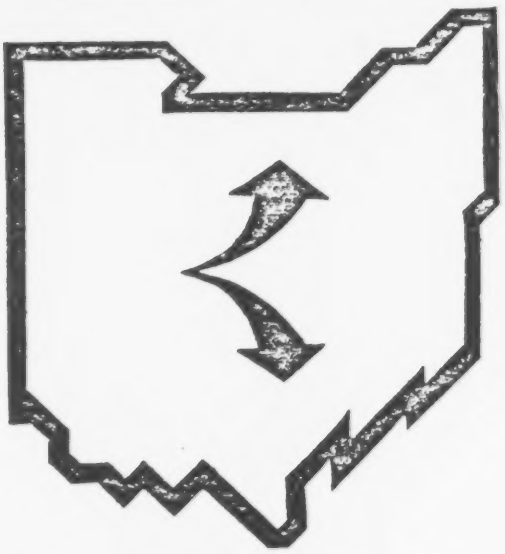
OHIO ECONOMIC INDICATORS QUARTERLY



January, 1981

Vol. 1 No. 1

Ohio Department of Economic and Community Development, Office of Research

Highlights

1979:III to 1980:III

Personal Income	-Up 7.6%, 2.5 percentage points less than in the U.S. -Private service-type industries continue strong growth -Durable goods payrolls decline 6%
Consumer Prices	-Up 13.8% in Cincinnati and 14.7% in Cleveland vs. 12.9% in the U.S.
Retail Sales	-Up 2.7% vs. 6.0% in the U.S.
Employment	-Down 133,000 workers vs. an overall national decline of 40,000
Unemployment	-Up 169,000 workers or 52.5% -Rate up to 9.4% of labor force vs. 7.5% in the U.S.
Commercial Banking	-Total loans down 1.3% vs. a 4.1% increase nationwide -Total deposits up 3.8% vs. 8% in the U.S.
Construction	-Total valuation of permits down 20.8% vs. a decline of 1.4% in the Nation -Number of authorized private housing units down 28% vs. a 13.4% decrease in the U.S.

Ohio Economic Indicators Quarterly

State of Ohio, James A. Rhodes, Governor
Department of Economic and Community Development, James A. Duerk, Director

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Analysis

Personal Income

Total personal income (seasonally adjusted at annual rates) in Ohio increased $7.1 billion from 1979:III to 1980:III, rising to nearly $101.6 billion (see Table 1). Although this represented a growth in income of 7.6 percent, it was 2.5 percentage points below that recorded nationwide. Spendable or real income actually declined. As can be seen in Table 2 (page 4), consumer prices from 1979:III to 1980:III increased 13.8 percent in the Cincinnati metropolitan area and 14.7 percent in Cleveland; both cities experienced inflation rates above the national average of 12.9 percent. If an average of price increases for these two cities -- 14.3 percent -- is used as an indicator for price movements in the State, real total personal income in Ohio declined 6.7 percent from 1979:III to 1980:III compared to a more moderate 2.8 percent loss nationally.

Wage and salary disbursements (payrolls) in Ohio increased only $2.2 billion, or 3.5 percent in Ohio compared to 7.4 percent nationwide. Manufacturing payrolls continued to fall, declining $915 million from 1979:III to 1980:III. This represented a 3.7 percent loss in Ohio compared to a 3.6 percent gain in manufacturing payrolls nationally. While Ohio's nondurable goods continued to exhibit modest growth, weakness was concentrated in durable goods which declined 6.0 percent versus a 2.0 percent increase in the Nation. Despite this payroll loss, however, durable goods payrolls continued to account for over one-fourth of Ohio's total payrolls compared to only 16.5 percent nationwide. Private service-type industries continued to exhibit strong growth with double-digit payroll increases in the finance-insurance-real estate and services component industries in both Ohio and the U.S.

CHART I—Personal Income, Percent Change, 1979: III - 1980: III

(Seasonally adjusted)

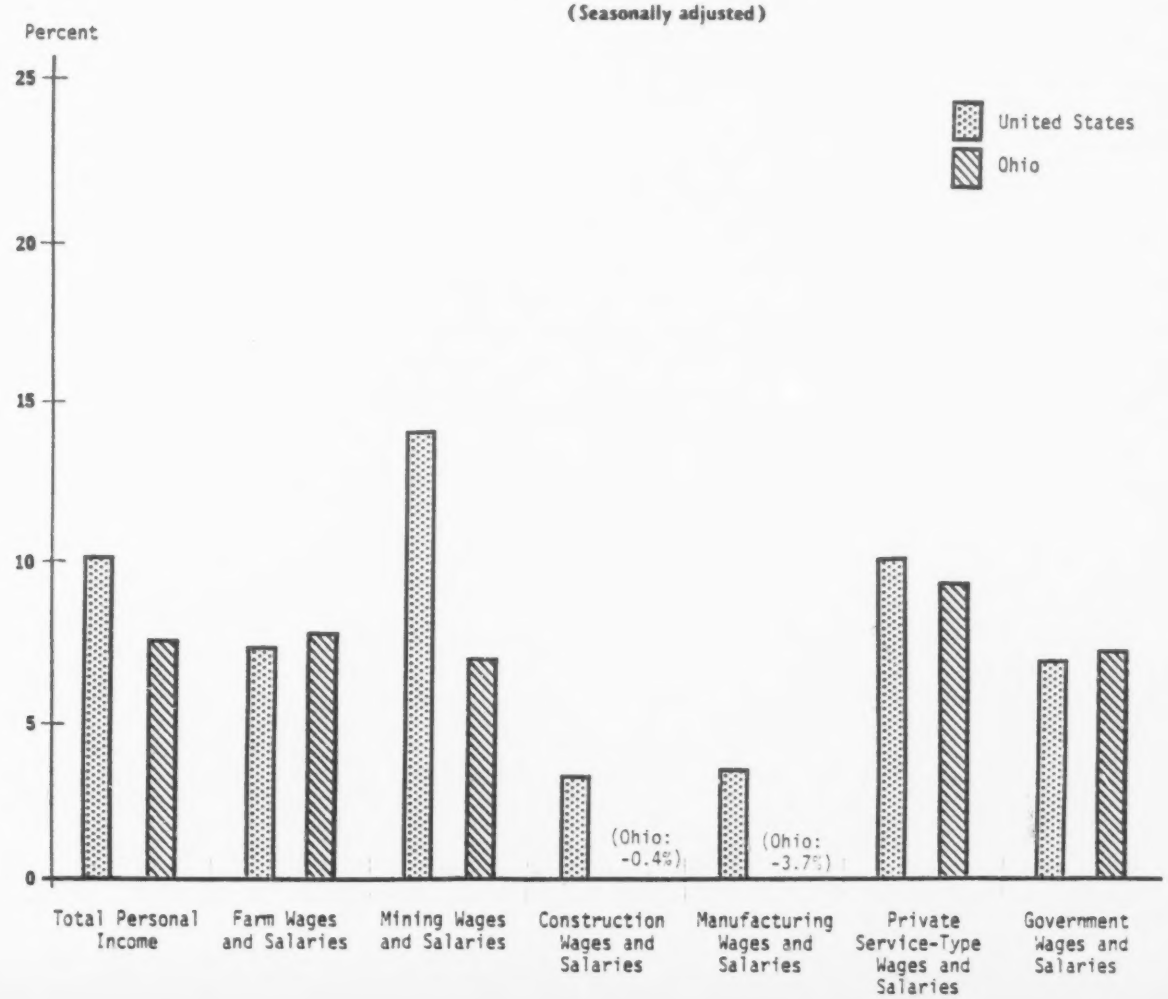
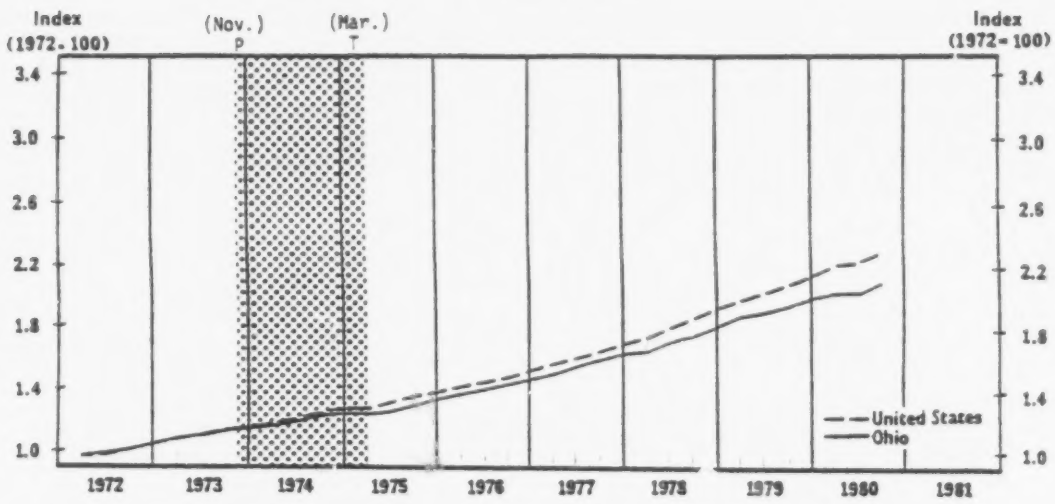


CHART 2—Total Personal Income
(Seasonally adjusted)



Shaded area indicates period of national recession as defined by the National Bureau of Economic Research, Inc. P = peak and T = trough. The date of the reference peak which signaled the beginning of the current recession has been determined as January, 1980. No trough has yet been identified.

TABLE I—Personal Income, United States and Ohio

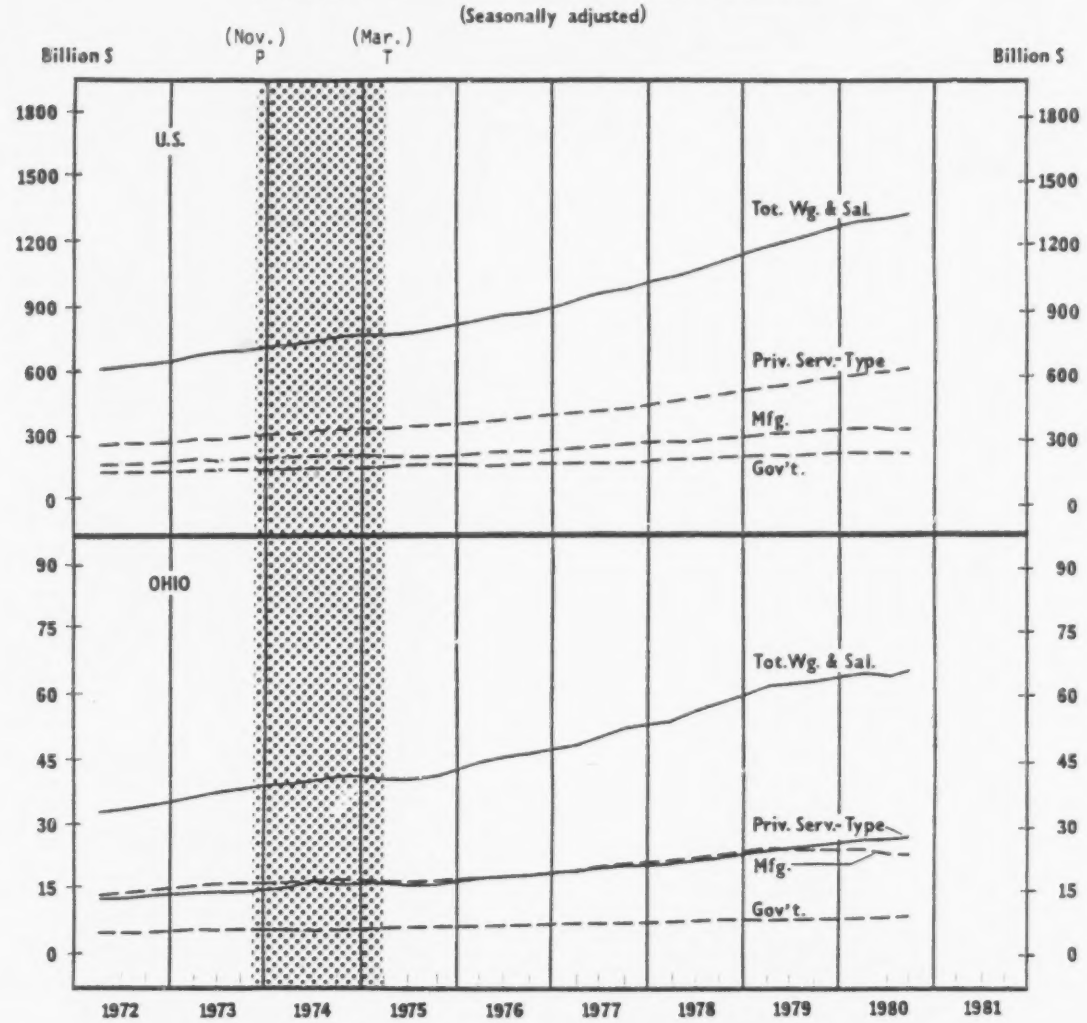
	United States		Ohio				U.S.	State	U.S.	State
	1979:III	1980:III	1979:II	1979:III	1980:II	1980:III	1979:II-1980:II		1979:III-1980:III	
	Millions of dollars, seas. adj. at ann. rates[1]						Percent change			
Total personal income..	1,954,591	2,152,980	92,234	94,422	98,538	101,591	10.0	6.8	10.1	7.6
Farm personal income.....	39,906	33,075	1,001	933	776	777	-26.0	-22.5	-17.1	-16.7
Nonfarm personal income.....	1,914,685	2,119,905	91,233	93,489	97,762	100,814	10.8	7.2	10.7	7.8
Total personal income..	1,954,591	2,152,980	92,234	94,422	98,538	101,591	10.0	6.8	10.1	7.6
Wage & salary disbursements.....	1,245,992	1,338,664	62,604	63,281	64,518	65,478	8.3	3.1	7.4	3.5
Other labor income.....	124,888	142,210	6,562	6,708	7,105	7,240	15.3	8.3	13.9	7.9
Proprietors' income.....	131,442	126,118	4,963	5,076	4,776	4,947	-7.5	-3.8	-4.1	-2.5
Farm.....	30,438	22,871	707	644	469	464	-35.4	-33.7	-24.9	-28.0
Nonfarm.....	101,004	103,247	4,256	4,432	4,307	4,483	2.3	1.2	2.2	1.2
Dividends, interest & rent.....	273,716	324,065	11,311	11,615	13,224	13,552	18.1	16.9	18.4	16.7
Transfer payments.....	259,680	310,241	11,289	12,239	13,563	15,081	15.6	20.1	19.5	23.2
State unemp. ins. benefits.....	9,328	19,204	409	614	1,232	1,560	81.0	201.2	105.9	154.1
Less personal contributions.....	80,708	87,849	4,001	4,020	4,157	4,199	8.1	3.9	8.8	4.5
Plus residence adjustment.....	-419	-469	-404	-477	-490	-508	--	--	--	--
Wage & salary disbursements.....	1,245,992	1,338,664	62,604	63,281	64,518	65,478	8.3	3.1	7.4	3.5
Farm.....	8,904	9,550	287	293	300	305	8.0	4.6	7.3	7.8
Nonfarm.....	1,237,088	1,329,114	62,317	62,998	64,218	65,173	8.3	3.1	7.4	3.5
Mining.....	19,932	22,771	662	606	651	649	16.5	-1.7	14.2	7.1
Construction.....	73,492	75,966	3,249	3,299	3,225	3,236	6.3	-0.7	3.4	-0.4
Manufacturing.....	334,708	346,684	24,880	24,733	23,788	23,818	4.3	-4.4	3.6	-3.7
Durable goods.....	217,096	221,485	18,358	18,163	17,096	17,071	3.1	-6.9	2.0	-6.0
Nondurable goods.....	117,612	125,199	6,523	6,571	6,692	6,747	6.4	2.6	5.5	2.7
Private service-type.....	573,184	631,529	24,989	25,609	27,397	28,036	11.3	9.6	10.2	9.5
Trans., comm. & pub. ut. ...	96,684	102,010	4,370	4,648	4,850	4,906	10.6	11.0	5.5	5.6
Wholesale & retail trade....	210,052	227,101	9,857	9,957	10,325	10,513	8.0	4.8	9.1	5.6
Fin., ins. & real estate....	68,668	77,977	2,465	2,466	2,729	2,806	14.6	11.2	13.6	13.8
Services.....	197,780	224,441	8,307	8,538	9,492	9,811	14.2	14.3	10.5	14.9
Government.....	231,312	247,563	8,426	8,634	9,035	9,266	6.0	7.3	4.6	7.3
Federal.....	74,444	80,570	2,024	2,028	2,221	2,135	8.9	9.7	8.1	7.7
State & local.....	156,868	166,993	6,403	6,607	6,814	7,080	6.2	6.4	6.8	7.2
Other.....	4,460	4,601	113	117	121	119	3.3	7.1	3.4	1.7

1. Detail may not add to totals because of rounding.

Source: U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Measurement Division.

CHART 3 — Industrial Composition of Wages and Salaries

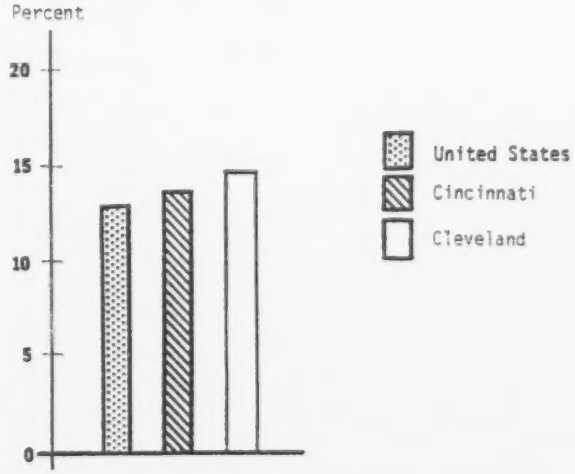
(Seasonally adjusted)



Shaded area indicates period of national recession as defined by the National Bureau of Economic Research, Inc. P = peak and T = trough. The date of the reference peak which signaled the beginning of the current recession has been determined as January, 1980. No trough has yet been identified.

Consumer Price Index

CHART 4 — Consumer Price Index, Percent Change, 1979:III - 1980:III



Consumer prices in the Nation increased 12.9 percent from 1979:III to 1980:III although this was below the increases recorded for the Cincinnati and Cleveland metropolitan areas of 13.8 and 14.7 percent respectively (see chart 4 and table 2). Both Ohio cities experienced consistently higher-than-average price increases in the housing and transportation components, which taken together account for 64 percent of the entire Consumer Price Index.

TABLE 2 – Consumer Price Index, United States and Ohio[1]

	1979:II	1979:III	1980:II	1980:III	1979:II-1980:II-	1979:III-1980:III
	Index, 1967=100 not seasonally adjusted				Percent change	
ALL ITEMS						
U.S.[2]	214.1	221.1	245.0	249.6	14.4	12.9
Cincinnati	221.5	226.9	251.6	258.3	13.6	13.8
Cleveland	217.5	221.4	248.7	253.9	14.3	14.7
FOOD AND BEVERAGES						
U.S.[2]	227.9	230.6	244.2	251.5	7.2	9.1
Cincinnati	239.5	240.5	255.3	261.7	6.6	8.8
Cleveland	230.5	232.1	242.1	250.8	5.0	8.1
HOUSING						
U.S.[2]	222.6	231.5	262.1	266.2	17.7	15.0
Cincinnati	227.9	233.9	265.6	275.1	16.5	17.6
Cleveland	221.7	224.1	263.8	267.4	19.0	19.3
APPAREL AND UPKEEP						
U.S.[2]	165.7	166.8	177.3	179.0	7.0	7.3
Cincinnati	184.9	184.5	196.8	198.1	6.4	7.4
Cleveland	159.7	166.7	171.9	176.2	7.6	5.7
TRANSPORTATION						
U.S.[2]	207.7	219.2	248.5	252.8	19.6	15.3
Cincinnati	194.1	206.0	233.1	238.6	20.1	15.8
Cleveland	199.8	209.6	236.3	243.1	18.3	16.0
MEDICAL CARE						
U.S.[2]	236.4	241.8	263.4	268.5	11.4	11.0
Cincinnati	269.1	271.8	294.5	299.2	9.4	10.1
Cleveland	260.5	263.6	285.7	291.8	9.7	10.7
ENTERTAINMENT						
U.S.[2]	187.5	190.1	203.9	208.1	8.8	9.5
Cincinnati	178.2	180.6	195.5	193.9	9.7	7.4
Cleveland	186.5	187.3	198.3	202.8	6.3	8.3
OTHER GOODS AND SERVICES						
U.S.[2]	193.9	198.0	211.2	216.2	8.9	9.2
Cincinnati	191.8	197.5	212.0	216.1	10.5	9.4
Cleveland	212.3	215.2	229.6	231.6	8.2	7.6

1. Consumer Price Indexes are shown for the most relevant SMSA(s) for which data are available.
2. Average for 85 representative urban areas based on the 1970 Census of Population.

Source: U.S. Department of Labor, Bureau of Labor Statistics.

Retail Sales

Despite continued increases in consumer prices, retail sales in the U.S. totaled $236.4 billion in 1980:III, up 6 percent since 1979:III. Sales in Ohio exhibited a more modest increase of 2.7 percent to nearly $10.9 billion over the same period. Growth in the sales of nondurable goods continued to outpace those of durable goods.

TABLE 3 – Retail Sales, United States and Ohio

	United States		Ohio				U.S.	State	U.S.	State
	1979:III	1980:III	1979:II	1979:III	1980:II	1980:III	1979:II - 1980:II		1979:III - 1980:III	
	Millions of dollars, not seasonally adjusted						Percent change			
Retail sales	223,091	236,367	10,670	10,586	10,585	10,868	3.7	-0.8	6.0	2.7
Durable goods	78,979	76,509	3,595	3,479	2,905	3,086	-9.4	-19.2	-3.1	-11.3
Nondurable goods	144,112	159,858	7,075	7,107	7,680	7,782	11.2	8.6	10.9	9.5

Source: U.S. Department of Commerce, Bureau of Census.

Labor Force

From 1979:III to 1980:III, Ohio's civilian labor force increased by 115,000 persons to slightly over 5.2 million individuals (table 4). This represented a growth of 2.3 percent in comparison to an increase in the national labor force of only 1.6 percent. Total employment in Ohio declined by 54,000 workers over the same time period, however, resulting in a 52.5 percent (169,000 worker) increase in the number of total unemployed. Predictably, the state's unemployment rate jumped 3.1 percentage points to an average of 9.4 percent during 1980:III compared to the national rate of 7.5 percent. Construction and manufacturing were the industries which suffered the greatest relative employment losses in both Ohio and the U.S. from the economic downturn experienced during 1979:III to 1980:III.

CHART 5—Labor Force, Employment, and Unemployment, Ohio, 1980:III

CHART 6—Unemployment Rates

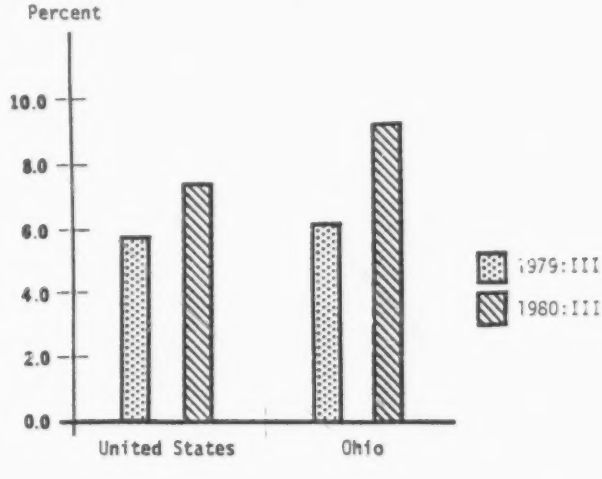


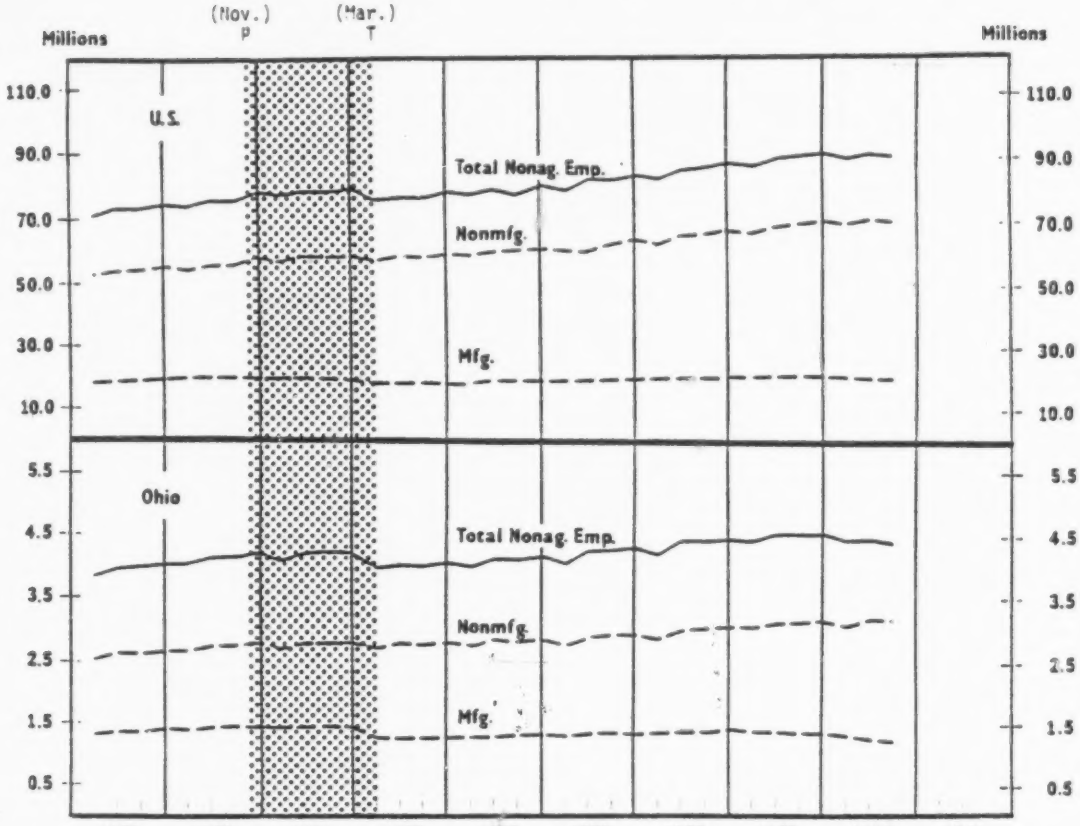
TABLE 4—Labor Force, United States and Ohio

	United States		Ohio				U.S.	State	U. S.	State
	1979:III	1980:III	1979:II	1979:III	1980:II	1980:III	1979:II-1980:II		1979:III-1980:III	
	Thousands of persons, not seasonally adjusted[1]						Percent change[2]			
Employees on nonag. payrolls.	90,247	90,207	4,520	4,513	4,438	4,380	1.2	-1.8	-0.1	-3.0
Mining	984	1,031	32	32	30	31	8.1	-4.8	4.8	-3.7
Construction	4,826	4,678	186	205	168	180	-2.8	-9.8	-3.1	-12.4
Manufacturing	21,148	20,022	1,392	1,375	1,266	1,231	-3.5	-9.1	-5.3	-10.5
Trans., comm. and pub. ut.	5,204	5,153	231	238	237	240	1.1	3.0	-1.0	0.7
Wholesale and retail trade	20,325	20,592	980	989	980	979	1.7	0.0	1.3	-1.0
Finance, insurance and real estate	5,044	5,218	199	204	205	207	3.9	2.9	3.4	1.7
Services	17,292	17,951	815	826	848	853	4.0	4.1	3.8	3.3
Government	15,424	15,560	686	643	704	659	3.9	2.6	0.9	2.4
Civilian labor force[3]	104,244	105,948	4,988	5,095	5,049	5,210	2.2	1.2	1.6	2.3
Total employed	98,231	97,986	4,717	4,773	4,615	4,719	0.4	-2.2	-0.2	-1.1
Total unemployed	6,013	7,962	271	322	435	491	31.7	60.5	32.4	52.5
Percent unemployed	5.8	7.5	5.4	6.3	8.6	9.4	---	---	---	---

1. Detail may not add to totals because of rounding.
2. Based on unrounded data.
3. Beginning January 1978, these data are being estimated by new methods, using more current data. This creates a break in the series, and users are advised to exercise caution when making comparisons over time.

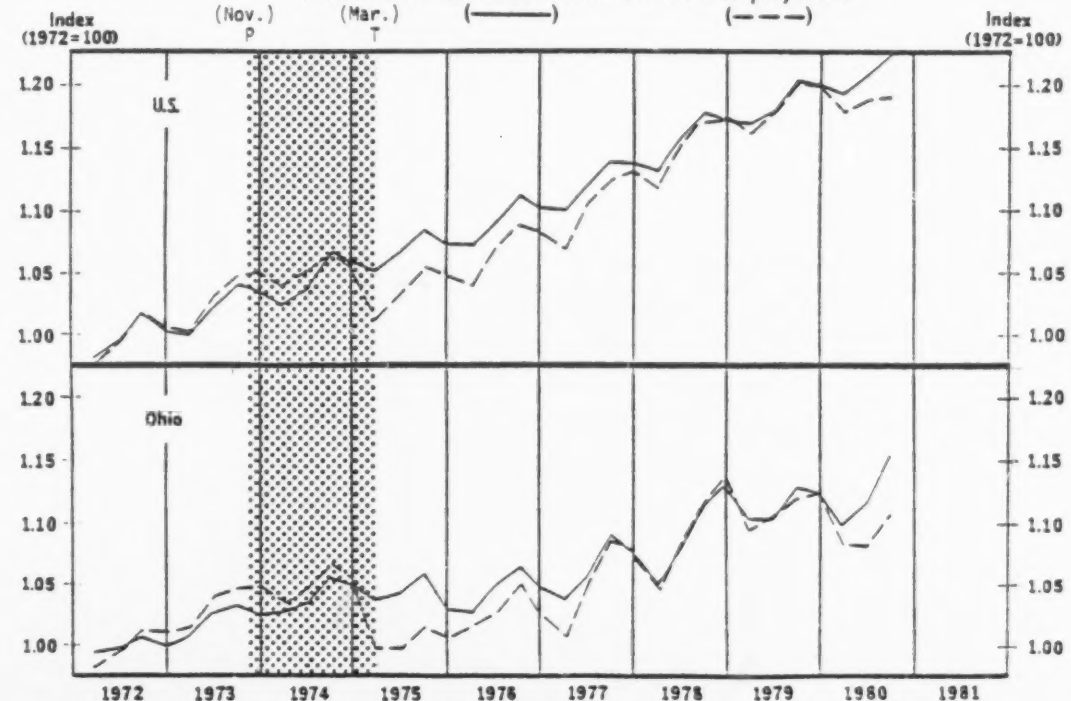
Source: U.S. Department of Labor, Bureau of Labor Statistics.

CHART 7 — Industrial Composition of Nonagricultural Employment



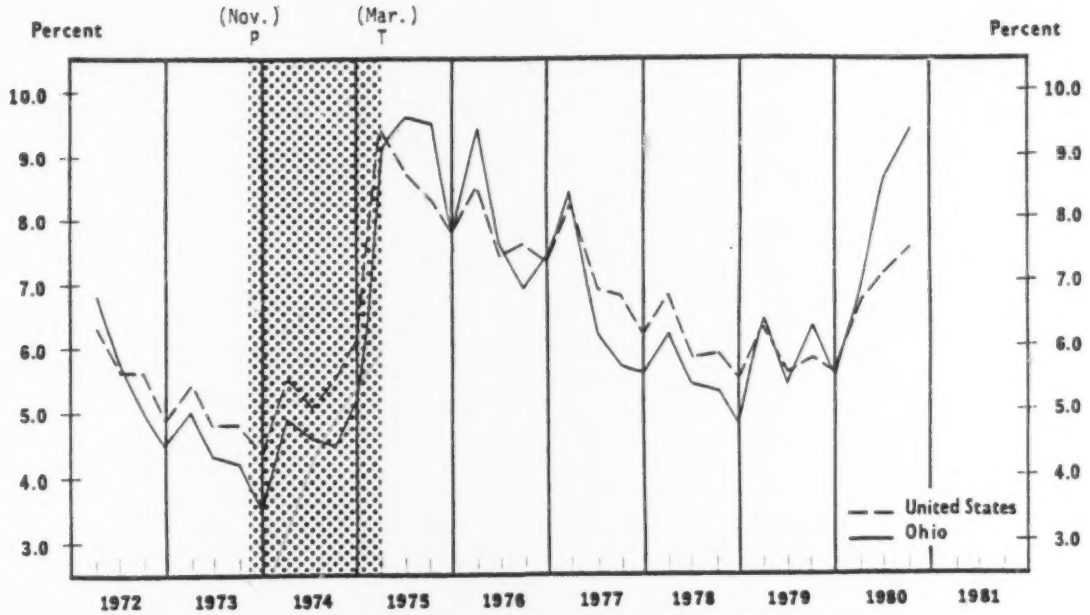
Shaded area indicates period of national recession as defined by the National Bureau of Economic Research, Inc. P = peak and T = trough. The date of the reference peak which signaled the beginning of the current recession has been determined as January, 1980. No trough has yet been identified.

CHART 8 — Civilian Labor Force and Total Employment



Shaded area indicates period of national recession as defined by the National Bureau of Economic Research, Inc. P = peak and T = trough. The date of the reference peak which signaled the beginning of the current recession has been determined as January, 1980. No trough has yet been identified.

CHART 9 — Unemployment Rate



Shaded area indicates period of national recession as defined by the National Bureau of Economic Research, Inc. P = peak and T = trough. The date of the reference peak which signaled the beginning of the current recession has been determined as January, 1980. No trough has yet been identified.

Commercial Banking

Total loans declined 1.3 percent from 1979: III to 1980:III in Ohio compared to a 4.1 percent increase in the Nation (Table 5). In 1980:III, loans totalled $28.5 billion, for a decrease of $379 million since 1979:III. Weakness in the State centered in loans to individuals (including credit cards, and loans for autos, mobile homes and other personal expenditures) which decreased nearly 7.0 percent versus a decline of only 2.4 percent nationally. Total deposits were up 3.8 percent in Ohio from 1979:III to 1980:III versus 8.0 nationally.

TABLE 5 — Commercial Banking Indicators, United States and Ohio

	United States		Ohio				U.S.	State	U.S.	State
	1979:III	1980:III	1979:II	1979:III	1980:II	1980:III	1979:II-1980:II		1979:III-1980:III	
	Millions of dollars, not seasonally adjusted[1]						Percent change			
Total loans	775,450	807,417	27,989	28,901	28,336	28,522	5.8	0.9	4.1	-1.3
Commercial and industrial	249,407	267,582	7,547	7,682	7,559	7,647	7.5	0.1	7.3	-0.5
Loans to individuals	184,520	180,012	8,889	9,190	8,564	8,552	0.3	-3.7	-2.4	-6.9
Real estate	238,413	257,399	9,663	9,964	10,218	10,389	10.5	5.7	8.0	4.3
Residential	139,609	150,548	6,209	6,374	6,561	6,674	10.6	5.7	7.8	4.7
Farms	8,700	8,499	454	455	456	459	-2.3	0.4	-2.3	0.9
Other	90,104	98,352	3,000	3,135	3,201	3,256	11.6	6.7	9.2	3.9
Farms, excluding real estate	30,825	31,612	482	497	492	496	4.4	2.1	2.6	-0.2
Other	72,284	70,812	1,408	1,567	1,406	1,438	-1.0	-0.1	-2.0	-8.2
Total Deposits	1,040,277	1,123,451	38,830	39,382	40,774	40,878	9.7	5.0	8.0	3.8
Demand	391,931	411,612	12,482	12,546	12,963	12,430	8.4	3.9	5.0	-0.9
Time and savings	648,346	711,839	26,348	26,836	27,811	28,449	10.5	5.6	9.8	6.0

1. Detail may not add to totals because of rounding.

Source: U.S. Federal Deposit Insurance Corporation.

Permit Authorized Private Construction

From 1979:III to 1980:III, the total valuation of permits issued for private construction declined 20.8 percent in Ohio versus a decrease of only 1.4 percent in the Nation (see Table 6). These declines were not spread uniformly across all types of construction, but were centered primarily in permits for housing and for industrial, office, mercantile, and institutional structures. Only buildings intended for amusement and recreational purposes exhibited increases in both the U.S. and Ohio from 1979:III to 1980:III. The dollar value of permits issued for additions to or alterations of existing structures also continued on an upward trend in Ohio and nationwide as major building construction continues to be delayed or postponed indefinitely in favor of upgrading existing property.

CHART 10 — Permit Authorized Private Construction, Valuation by Type of Construction, Percent Change, 1979:III - 1980:III

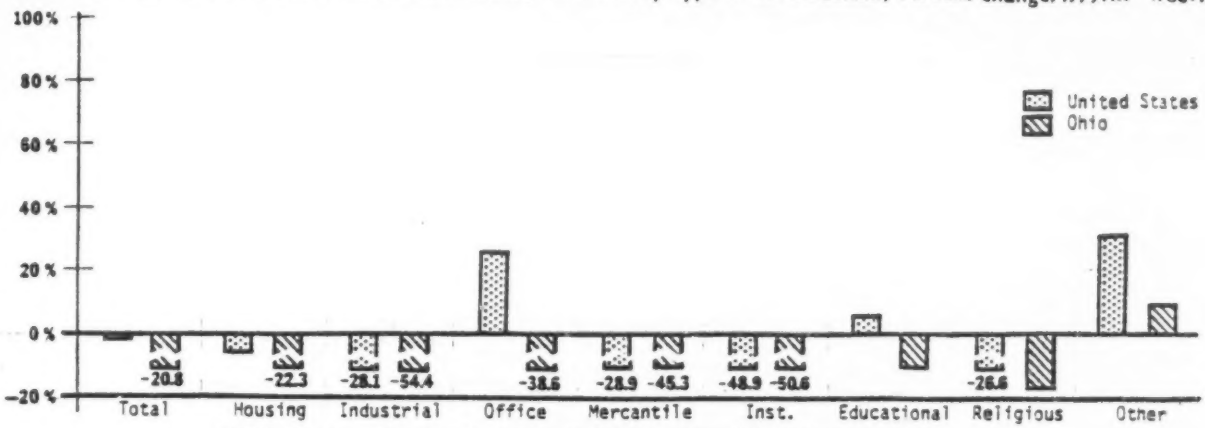


TABLE 6 — Permit Authorized Private Construction, United States and Ohio

	United States		Ohio				U.S.	State	U.S.	State
	1979:III	1980:III	1979:II	1979:III	1980:II	1980:III	1979:II-1980:II		1979:III-1980:III	
	Not seasonally adjusted						Percent change			
All authorized private construction[1]										
Valuation (millions of dollars)	29,708	29,294	1,208.1	1,125.0	881.0	890.5	-23.3	-27.1	-1.4	-20.8
New housing units										
Number of dwelling units	429,221	371,884	16,800	13,453	6,868	9,692	-45.3	-59.1	-13.4	-28.0
Valuation (millions of dollars)	15,457	14,643	672.1	526.4	270.6	408.9	-42.0	-59.7	-5.3	-22.3
Industrial buildings										
Number of buildings	7,934	5,318	328	338	159	169	-38.7	-51.3	-33.0	-50.0
Valuation (millions of dollars)	2,622	1,884	97.9	102.3	236.9	46.6	-7.5	142.0	-28.1	-54.4
Office buildings										
Number of buildings	6,245	4,860	250	231	103	115	-30.5	-58.3	-22.2	-50.2
Valuation (millions of dollars)	2,548	3,221	94.4	93.0	29.8	57.1	-11.8	-68.4	26.4	-38.6
Stores and other mercantile buildings										
Number of buildings	11,713	8,173	383	437	217	223	-36.9	-43.3	-30.2	-49.0
Valuation (millions of dollars)	2,429	1,727	104.1	98.4	46.4	53.8	-31.0	-55.4	-28.9	-45.3
Hospitals and other institutional buildings										
Number of buildings	532	313	16	20	11	13	-48.8	-31.3	-41.2	-35.0
Valuation (millions of dollars)	593	303	14.2	23.7	30.4	11.7	-11.6	114.1	-48.9	-50.6
Educational buildings										
Number of buildings	714	608	23	18	16	16	-23.1	-30.4	-14.8	-11.1
Valuation (millions of dollars)	209	221	4.4	4.7	8.6	4.2	-22.3	95.5	5.7	-10.6
Religious buildings										
Number of buildings	1,398	1,151	64	40	22	31	-27.7	-65.6	-17.7	-22.5
Valuation (millions of dollars)	327	240	15.8	10.2	4.5	8.4	-30.9	-71.3	-26.6	-17.6
Amusement buildings										
Number of buildings	1,282	1,333	60	51	49	53	-20.2	-13.3	4.0	3.9
Valuation (millions of dollars)	248	269	8.7	6.7	7.6	11.0	7.3	-12.6	8.6	26.4
Service stations and repair garages										
Number of buildings	1,130	956	42	83	41	41	-26.0	-2.4	-15.4	-50.6
Valuation (millions of dollars)	52	51	2.6	4.2	2.2	4.3	-31.6	-15.4	-1.9	2.4
Residential Garages										
Number of buildings	64,393	50,202	3,340	3,922	2,685	2,840	-28.8	-30.1	-22.0	-27.6
Valuation (millions of dollars)	263	221	16.7	16.2	11.4	12.6	-21.4	-31.7	-16.0	-22.2
Other nonresidential buildings										
Number of buildings	40,905	36,296	917	969	904	765	-6.2	-1.4	-11.3	-21.1
Valuation (millions of dollars)	861	685	15.4	12.6	11.3	1.8	-17.3	-26.6	-20.4	-85.7
Structures other than buildings										
Number of buildings	81,733	76,967	2,260	2,078	2,017	1,873	-17.9	-10.3	-5.8	-9.9
Valuation (millions of dollars)	497	474	8.1	11.0	8.9	13.0	-9.0	9.9	-4.6	18.2
Residential and nonresidential add. and alter.										
Valuation (millions of dollars)	3,185	5,001	127.5	180.3	185.5	212.1	86.9	45.5	67.0	17.6

[1]Includes totals for new nonhousekeeping residential buildings, parking garages (open to general public), and public works and utilities buildings, not shown separately.

Source: U.S. Department of Commerce, Bureau of the Census.

CHART 11 – Permit Authorized Private Construction, Total Valuation

CHART 12 – Permit Authorized Private Construction, Valuation of Permits by Type, Ohio

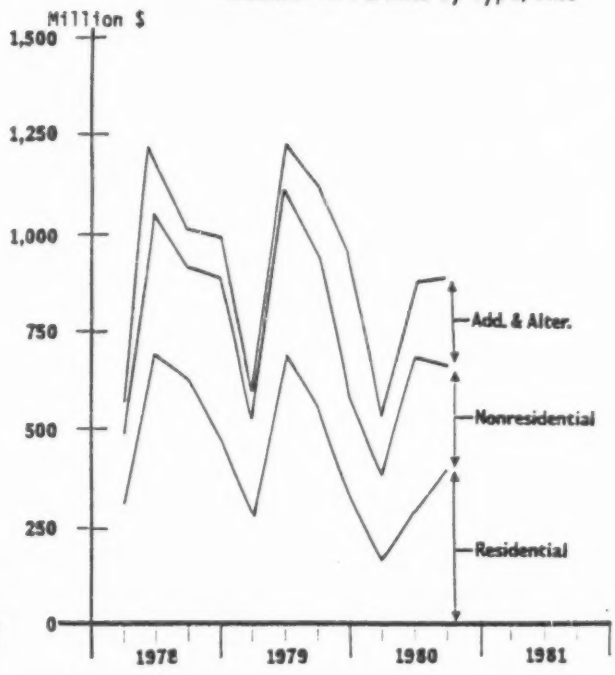


TABLE 7 – Electric Energy Sales by Type of Consumer, United States and Ohio

	United States		Ohio				U.S.	State	U.S.	State
	1979:III	1980:III	1979:II	1979:III	1980:II	1980:III	1979:II - 1980:II		1979:III - 1980:III	
	Millions of kilowatt-hours, not seas. adj.						Percent change			
Electric Energy Sales	542,078	572,225	30,124	30,115	25,609	28,140	-1.3	-15.0	5.6	-6.6
Residential	182,025	211,473	6,901	7,430	6,994	8,717	3.0	1.3	16.2	17.3
Commercial	129,104	139,232	4,424	4,882	4,464	5,398	0.6	0.9	7.8	10.6
Industrial	212,117	202,478	17,903	16,920	13,229	13,055	-5.5	-26.1	-4.5	-22.8
Other	18,832	19,042	896	883	922	970	0.8	2.9	1.1	9.9

Source: U.S. Department of Energy, Energy Information Administration.

TABLE 8 – New Business Incorporations, United States and Ohio

	United States		Ohio				U.S.	State	U.S.	State
	1979:III	1980:III	1979:II	1979:III	1980:II	1980:III	1979:II-1980:II		1979:III-1980:III	
	Not seasonally adjusted						Percent change			
New business incorporations			4,146	3,639	3,555	3,758		-14.3		3.3

Source: (U.S.) Dun & Bradstreet, Inc. (not available for this issue).
(Ohio) State of Ohio, Secretary of State.

Ohio's Economy: Looking Ahead

Despite continued high interest rates and uncertainty over the Reagan administration's package for economic recovery, Ohio's economy is showing signs that it may be emerging from the recession. The Ohio Index of Leading Indicators rose during the fourth quarter of 1980 to 99.2 (1973=100). The index grew primarily as a result of gains by three components: average workweek, money supply, and business incorporations. Building permits continued to exhibit weakness and were up only as a result of seasonal adjustment. The layoff rate began climbing during the last three months of 1980 but still remained well below the high rates posted during the second and third quarters of last year.